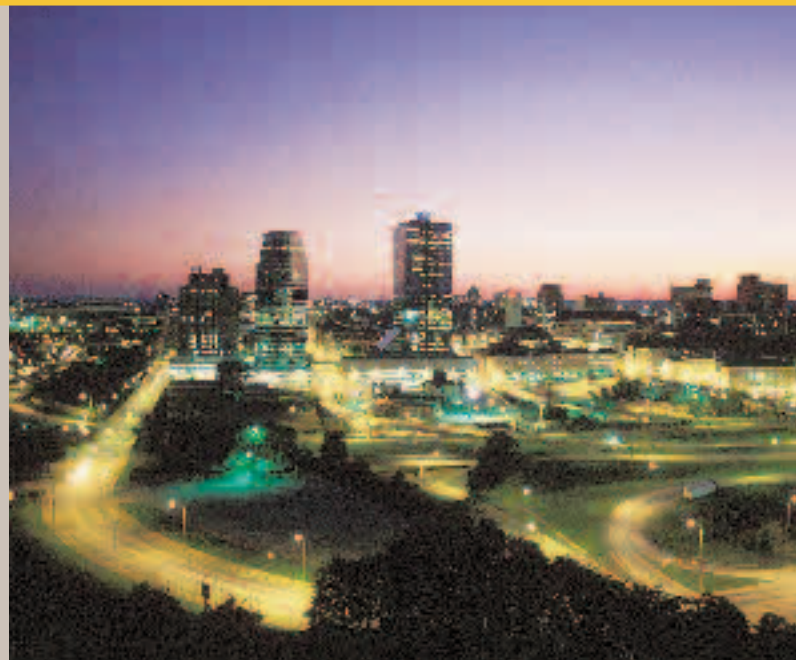




**economic
development**



verview

Your guide to TVA
Economic Development
Programs and Services





**What sets TVA Economic
Development apart is our philosophy
of partnering for success**

B u i l d i n g f o r t h e F u t u r e

TVA's mission is generating prosperity in the Tennessee Valley. And each of the Economic Development programs and services outlined here is designed to do just that—to retain and recruit industry, create jobs, and help communities in our region realize their full social and economic potential.

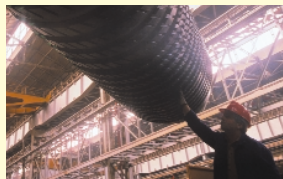
What sets TVA Economic Development apart is our philosophy of partnering for success. To achieve the greatest good for the Valley, we join forces with public and private organizations to fill gaps in economic development with a wide range of services and programs. And unlike other economic development entities, TVA Economic Development brings a regional perspective to every project. By focusing on the entire Valley, instead of only one county or state, TVA can help industries, investors, and our partners see the bigger picture of regional economic development.

The innovative programs and services of TVA Economic Development complement each other and combine to create a powerful tool for generating prosperity in the Valley. Whatever the project, whatever the challenge, whatever the scope, TVA Economic Development can provide solutions that make sense and mean success for industry and for our region.

Guide

Programs & Services

Industrial Development & Expansion



Economic Development Loan Fund

A multimillion-dollar revolving loan program, the EDLF is designed to stimulate investment and job creation in the TVA region. Loans must be co-sponsored by a power distributor, local government, or economic development agency and are made available to new and expanding industrial companies for fixed assets such as buildings, machinery, and equipment.

Special Opportunities Counties Fund

This \$15 million revolving loan fund assists Tennessee Valley counties with low per capita incomes. Counties in that category receive financial help for community and economic development programs, with special emphasis on projects aimed at industrial expansion.

Industrial Recruiting Services/TVIDA

The distributors of TVA power participate in the eight Regional Industrial Development Associations (RIDAs), which, together with TVA, constitute the Tennessee Valley Industrial Development Association (TVIDA). TVIDA works with economic development agencies to provide industrial prospects with an integrated package of economic incentives.

Site Selector Information System

This comprehensive electronic system offers detailed maps and information on available buildings and sites, economic development programs, and demographics for every county in the Tennessee Valley. It is available through TVIDA on the Web at www.tvida-siteselector.com.

Community Development



Quality Communities

With this program, TVA helps communities throughout its power service area improve their long-term economic competitiveness by establishing a shared vision of the future, preparing strategic action plans, developing teamwork and leadership skills, and promoting continuous improvement.

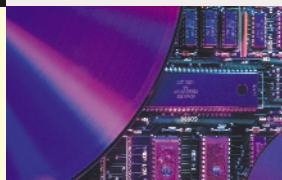
ARC Administration

TVA serves as an administrative agency for the Appalachian Regional Commission (ARC), a unique partnership between the federal government and the governors of 13 Appalachian states that supports regional economic and social development in the areas of education and training, infrastructure improvements, and business start-ups and expansions.

Technical Services

Economic Research & Analysis

TVA's business intelligence helps site selectors pinpoint the most advantageous industrial locations in the Tennessee Valley. A package of accurate economic, demographic, and market data is tailored to specific requests, which may come from business, government, chambers of commerce, or industrial development agencies.



Engineering & Architectural Design

TVA Economic Development offers general design services in the fields of civil engineering and architecture to help industrial prospects make sound location decisions.

Project-feasibility studies and project evaluations are conducted within the scope of regulatory and environmental issues.

Environmental Review

All TVA Economic Development loans and programs must undergo environmental review to ensure that they are in compliance with federal, state, and local regulations.

Small & Minority Business Support

Business Incubators

TVA provides financial support to business incubators across the Tennessee Valley. Tenants share services, equipment, and space. The Business Incubator Tenant Loan Fund, a revolving fund capitalized at \$500,000, is also available to help tenants meet short-term needs for cash flow and operating capital.

Business Development Weeks

Business Development Weeks are TVA-sponsored, community-led workshops that offer technical training and support to emerging companies in small towns and rural communities. The TVA Mobile Business Center provides Internet access, computer instruction, small-business counseling, and more.



Minority Business Development Program

TVA supports the growth and expansion of minority-owned and socially and economically disadvantaged businesses throughout the Valley with tailored packages of technical, capital, and managerial assistance. One key feature of the program is the Minority Business Development Loan Fund, a \$9 million revolving fund that makes loans of up to \$500,000.



Economic Development Loan Fund

Glasgow Spray-Dry Glasgow, Kentucky

When Billy Joe Williams, a manager of the Mid-America Dairymen cheese and dry-milk-solids plant in Glasgow, Kentucky, learned that his facility was going to close, he decided to try to purchase one division of the company. “The cheese part of the operation had never done very well, but the dry-milk-solids part was very profitable,” Williams recalls. “I knew if we could maintain operation of the plant we could really grow the business.”

Williams had heard that TVA offered low-interest loans to manufacturers, so he called on Tom Henne in



DAVID LUTTRELL

With help from the EDLF, Billy Joe Williams founded Glasgow Spray-Dry—saving 40 jobs and adding 60 more.

TVA Economic Development’s Kentucky office for help.

TVA provided \$300,000 in Economic Development Loan Fund financing and teamed up with the National City Bank of Louisville, the Barren River Area Development District, and the City of Glasgow to help Williams and his wife, Debbie, purchase the plant in 1996 for \$1.35 million. The couple renamed the company Glasgow Spray-Dry Inc. Today, it employs nearly 100, generates \$30 million in annual sales, and has expanded into a second facility.

“We couldn’t have made the financing work without the help of TVA,” says Williams. “We feel fortunate to have been able not only to save jobs, but to add new ones.”

C O M M U N I T Y D E V E L O P M E N T

Quality Communities

Franklin County Quality Council Franklin County, Alabama

When extended drought conditions forced Alabama’s Franklin County Water Board to ration water in 1999, Vice Chairman Steve DeFoor decided to approach the county’s legislators for funds to build a water treatment plant to prevent future water shortages.

Everyone he explained the idea to was receptive, DeFoor says, but couldn’t help. “They weren’t able to respond to my idea because our county didn’t have a community development plan. It was then I realized we couldn’t get help on a lot of issues because the communities within Franklin County didn’t have a single strategic vision. I knew that the TVA Quality Communities program was working well in Cullman County, Alabama, so I asked TVA to help us too.”

With the help of TVA and TVA Community

Development Specialist Phil Scharre, Franklin County created a quality council composed of a broad cross-section of community leaders, and held a series of meetings at which residents shared their hopes, dreams, and concerns. TVA then condensed the collected recommendations, which the quality council turned into the Franklin County 2000 and Beyond Strategic Plan.

“We couldn’t have done this program without the help of TVA. They were outstanding at keeping us focused and helping us find our own answers,” says DeFoor. “Thanks to TVA, we have a plan now that will help us build that water treatment plant, but more importantly, we’ve come together as a county.”



TECHNICAL SERVICES

Engineering & Environmental Review

Blairsville Airport Regional Industrial Park Union County, Georgia

In 1998, an affordable five-year EDFL loan from TVA helped Georgia's Union County Development Authority (UCDA) transform 197 acres of land near Blairsville, Georgia, into the new Blairsville Airport Regional Industrial Park. But before the loan could be approved, TVA Technical Services provided the essential three E's—economic research, engineering services, and environmental review.

The Technical Services staff provided the initial site engineering and conceptual

design for the park. An environmental study assessed the project's potential effects in a number of categories, including land use and transportation; noise; terrestrial and aquatic ecology, animals, and rare species; wetlands, floodplains, farmlands, and surface water; archaeological resources and historic structures; socioeconomic conditions; aesthetics; wastewater; air-pollution emissions; and solid and hazardous wastes.

"It really is a fine report," says Tom Murphy, Executive Director of the UCDA, who was also able to use the TVA study to get state environmental approval. "That saved us time and money with the state, and because of the thoroughness of the report we can go after future federal funds without any additional environmental reviews."



SMALL & MINORITY BUSINESS SUPPORT

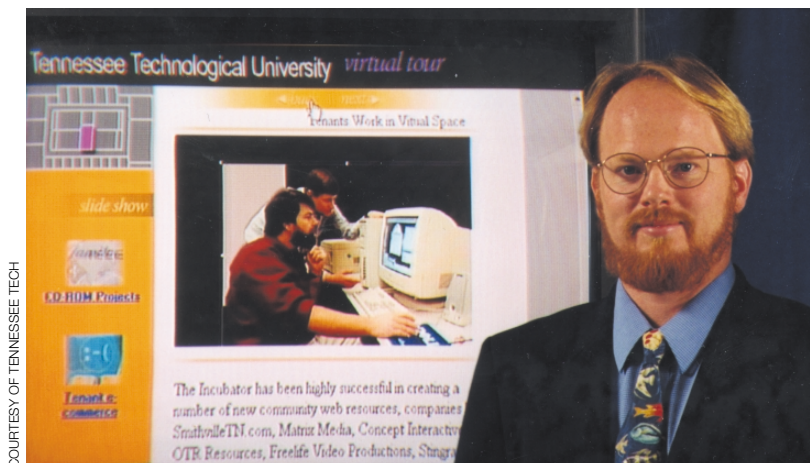
Business Incubators

Regional Business Technology Incubator, Cookeville, Tennessee

Kevin Liska's specialty is building new businesses without buildings. Thanks to funding from TVA, USDA Rural Development, Tennessee Tech's College of Business and Center for Manufacturing Research, and participating chambers of commerce, Liska is able to share his entrepreneurial expertise and computer savvy with organizations and fledgling businesses in the Tennessee Valley.

Liska is the director of TVA's first "virtual incubator"—the Regional Business Technology Incubator (RBTI). Although the incubator is headquartered at Tennessee Tech in Cookeville, the small businesses being nurtured and built are spread throughout some of the Valley's most rural areas. RBTI operates through a network of satellite locations that are video- and Internet-linked to the operation hub. Tenants pay \$125 per month for a virtual business site at satellite incubators, which are located in rural high schools, town halls, libraries, and chambers of commerce. The small fee gives e-entrepreneurs access to computers, software, shared equipment (like digital cameras), and training, including innovative instructional CD-ROMs developed exclusively for incubator tenants.

Since its launch in August 1998, RBTI has helped more than 82 rural entrepreneurs and reached hundreds of other community members through its free seminars. "The virtual incubator concept is a great way for small communities to create jobs without a large financial investment," says Liska. "Plus, this approach allows rural communities to strengthen their local infrastructure with emerging business technologies. Virtual incubators open up all new possibilities and opportunities without the bricks and mortar usually associated with building a business."



Kevin Liska says the virtual incubator is a powerful way to encourage entrepreneurship in rural counties.



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